GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1257
ANSWERED ON:09.02.2017
Operation of Air India Express Flights
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) the details of domestic and international flights operated by Air India Express especially to USA;

(b) whether operational cost of flights on some of the routes is too high;

(c) if so, the details thereof and losses incurred by Air India Express on such routes during the last three years, year-wise; and

(d) the steps taken by the Government to enhance the profit of Air India Express?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): Air India (AI) Express does not have any operations to USA. The details of domestic and international operations of AI Express are attached as Annexure I.;

(b): The unit cost of operation of all the flights operated by AI Express are more or less the same with none being too high.;;
;
(c): In the past 3 years, the details of the routes that did not meet operating cost are as below :-

FY 2013-14

1. Chennai - Kuala Lumpur - Chennai
2. Lucknow - Dubai - Lucknow
3. Trivandrum - Sharjah - Trivandrum
4. Trivandrum - Dubai - Trivandrum
5. Kozhikode - Kuwait - Kozhikode
6. Chennai - Trichy - Singapore vv
7. Kochi - Mangalore - Kuwait vv
8. Chennai - Colombo-Chennai

FY 2014-15

Based on the details of loss making routes in 2013-14, following corrective actions had been taken :-

1. Chennai - Colombo - Chennai flight was withdrawn
2. Kochi - Mangalore - Kuwait vv flight was restructured to operate thrice weekly Mangalore - Bahrain - Kuwait-Mangalore. Kochi passengers were given a suitable connection over Kozhikode.

As a result, all the flights met the operating cost and were profitable.

FY 2015-16

All the flights were profitable except Chennai - Kuala Lumpur - Chennai. The main reason was due to low yields as the fares were very low to meet the competitive pressure. The route continued to make losses in FY 2016-17 as well. Hence, effective from 15th Feb 2017, the flight has been withdrawn.;

(d): The steps taken to enhance AI Express profits are as below :-;

i) The aircraft utilization has been increased from 8.5 hrs three years ago to 12.5 hrs per day per aircraft, which is comparable to the best in the industry.
ii) The productivity / utilization of cabin crew and cockpit crew over the past 3 years has been increased and is comparable to the best in the industry.
iii) The Schedule Reliability has been increased to the level of 99.9%. The On Time Performance has been increased to the level of around 80-85%.
iv) With the focussed pricing and inventory management, the operating revenue has increased from 2364 Cr in 2013-14 to 2916 Cr. in

2015-16.The revenue increase of 23% is achieved with a reduced fleet of 17 aircraft in 2015-16, whereas in 2013-14 the aircraft fleet strength was 21.